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MARKETING PLAN FOR EDUCATIONAL CENTER

“THE UNKNOWN ISLANDS” RUSSIA

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Abstract

This study aims to create a new marketing plan for the educational center “The Unknown Islands”, located in Russia. The market of additional education for children is growing fast, thus challenging the company’s leading position in the market. Throughout this thesis, a marketing plan for dealing with the company’s current challenges is outlined. This marketing plan focuses on building a strong brand image for the “The Unknown Islands”, as well as increasing brand awareness. Furthermore, it is suggested that the number of centers of the company should be increased.

Keywords: Additional education, Russia, children, parents, “The Unknown Islands”

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Executive summery

“The Unknown Islands” is an educational center for the development of children’s talents with four facilities in the North Western district of Moscow and more than 90 different classes, covering pre-school, nursery, primary and secondary school programs, for children, adolescents and their parents. Regarding the segment under 13 years old, “The Unknown Islands” is growing in a sustainable way and achieving one of the best results in this market. Nevertheless, “The Unknown Islands” has a lack of brand awareness and although they are quite known in a professional environment, they do not stand on the top-of-mind of consumers. To be on the right place in the consumers mind there is work to be done on the brand image. To do so, I created a new marketing campaign entitled “Behind the pole start directly to your dream”. This campaign contains several key steps: the first is to generate a new corporate design that includes the creation of a mythical character, the second is to change the design of the educational centers, and the third is to modify the culture of “The Unknown Islands” by creating the center’s “pirate code” with an initiation process into the pirates’ universe. Finally, I also created a digital strategy that will impact on the marketing plan – active work in social networks - to create “The Unknown Islands” community, which will include teachers, students and their parents

Literature review and methodology

One of the ideologists of the theory of complex additional education was Stanislav Shatsky. In his investigations, he proves the importance of complex education of children. His research was founded on the principles of cooperation and self-motivation – this would release the child's innate potential and help him to get developed into a well-rounded human being. His ideal student was a child that appreciated art, culture, and music; that could also knew the value of a hard day's work: "A child of high culture with callused hands".¹

Also a huge impact in the theory of additional education was introduced by Anton Makarenko. He was one of the first Soviet educators to urge that the activities of various educational institutions — i.e., the school, the family, clubs, public organizations, production collectives and the community existing at the place of residence — should be integrated.²

Also the importance of complex education was studied by Ken Robinson, an English author, speaker, and international advisor on education in the arts to government, non-profits, education, and arts bodies. In his work “The Arts in Schools: Principles, Practice, and Provision” (1982) he noticed the importance of art in the development of children.

To understand the new trend in additional education, I use works of Berezhina, where she notices that additional education is very important to development of creative part of the children³.

Considering all methodological premises, this research comprehended two phases:

1st: qualitative research, which done by semi-structured interviews with tree employees of “The Unknown Islands” – CEO, vice CEO and receptionist, to defend areas for improvement in which “The Unknown Islands” is now focused, to understand what is the nowadays’ strategy of the company;

2nd: quantitative research which was done by survey with 494 customers of “The Unknown Islands”, in which the participation in this survey was anonymous. This survey was provided with support of the website “The Unknown Islands”. In this survey, I analyzed customers’ needs, areas of improvement and why they choose this center (Attachment 4).

Situation analysis

Context (PEST analyze)

In order to understand the environment of the market where “The Unknown Islands” is operating, we use a PEST model which analyses the Political, Economic, Social and

Technological influences on the educational system and in particular “The Unknown Islands” in a macroeconomic setting.

After 1991, when Russia start to be an undefended country and assumed the Soviet Union's rights and obligations and was recognized as its continued legal personality, important foreign capital move to Russia. But at the same time, the politic and economic situation wasn't sustainable given that the government didn't have enough experience and tools to regulate the new environment of state; it was the most important reason for the start of increasing corruption and “grey business”. The high level of corruption, which is hard to take control make it difficult to do business in Russia at all levels, including in the education sector.⁴

During the last 10 years, the situation in Russia is changing, with a growing economy with an average yearly GDP growth of 6.9% and an average increase in real wages with 10.4% in the years 2001-2007, which resulted in the rise of a middle class in Russia. After financial crisis in 2008, Russia quickly recovered as evidenced by its GDP and nowadays Russia is second in Europe regarding job creation.⁵ As an example in education sector,s financial provision for one child increased from 63,1 thousand rubles per year (= 1,430 euro in 2010) to 123 thousand rubles per year (=2,794 euro in 2011) (Attachment 3). Also the growing of GDP shows that quality of life is enhancing and people will spend more money on things that are not essential, as additional education.

In a research study of Ernst&Young,⁶ Russia is on the 6th place of the most attractive countries for investment, would also to note in that survey education, as area for investment, is on the 5th place on the attractiveness and more than 50% of respondents say that they find this area promising. Additionally, 59% of respondents believe that within three years of the investment climate improves. In the same time for a lot of investors there is still a big problem of

corruption, bureaucracy, unsustainable law, minimal share of opposition in the government and other reasons which badly influence on business image of Russia.

In 2011, Russia was experiencing a “baby boom” – 1726 thousand children were born.⁷ Because of that, the government designed modernization program of preschool education for each region. It allocated money to build new buildings, that are gradually returning all the premises previously used for other purposes, but this is not enough. As an alternative, government encouraged the private sector to develop early childhood education centers. In early childhood education centers, the number of students increased from 288 thousands in 2010 to 424 thousand in 2013.

The period after 2007, was marked by innovation and modernization, with Medvedev as the president of Russia. One of the most important steps was the creation of the innovation center Skolkovo, a high technology business center; in addition to this, one of the items was to equip of computer classes, laptops, mobile computer classes and interactive whiteboard to all educational institutions for children. Internet and social networks more and more depend on society. Nowadays, Russia is on the 3th place in the world raking, regarding the time spent in social networks. A new research of Ernst&Young identifies - Russia is the largest online population in Europe – 73.8 million users and the biggest mobile phone market in Europe with 230 million phones.

Historical background, industry and market analysis

Russian educational system includes different steps of education. The first is pre-school education as kindergartens, common education include schools, professional education and additional education.

Historically, “Additional education¹” in USSR is ran by the government who wants to control life of all citizens, in alignment with the totalitarianism as it was the part of ideology, in which this ideology is defends and declares public interests over private ones. Totalitarianism, which was ruling in USSR since 1920 until 1990², was present on all part of citizen life, and everyone was the part of community as parties, labor unions, hobby clubs, pioneers and others. The Soviet state has paid special attention to their children and youth. In school, for the kids, the government launched a Union Pioneer Organization. Pioneer organization was for free, and provided the bulk of Soviet children's extracurricular leisure through its various thematic groups, clubs and Palaces of Pioneers (Education Centers nowadays). In 90’s political and economical environment was changing, and in result of that, on 25 December 1991, Gorbachev resigned and the remaining 12 constituent republics emerged from the dissolution of the Soviet Union as independent post-Soviet states. After that, the Russian Federation, the successor state of the Russian SFSR, assumed the Soviet Union's rights and obligations and is recognized as its continued legal personality. Because of that, contextual driving force education centers were changed in quality and quantity. The number of public centers started to grow, since it was easier to launch own businesses and a lot of businessmen move to educational sector as they saw good market opportunities.⁸ Nevertheless, due to further changes in law in 2000 demanding for new requirements, this growth went down (Attachment 1). This change in law had a great influence

¹ Additional education of children - a part of general education in Russia, essentially motivated education provides students with the steady need for knowledge and creativity to fulfill oneself, professional and personal self-determination. Many researchers additional education of children is understood as a purposeful process of education and training through the implementation of additional educational programs. Berezina V.A “Additional education for children as a tool for development of children creativity”, 2002

² In some recourses authors notice that the end of the Totalitarianism is 1950’s with the beginning of “Khrushchev Thaw” (for example Volkogonov, Dmitri Antonovich (Author); Shukman, Harold (Editor, Translator). Autopsy for an Empire: the Seven Leaders Who Built the Soviet Regime. Free Press, 1998). Other authors noticed that this period finish at 1980’s the beginning of “Perestroika” (Professor Gerhard Rempel, Department of History, Western New England College, "Gorbachev and Perestroika").

on the market and in result of that a lot of educational centers were closed, while the newcomers' power in this market was moderate. The consequence was that market share of educational centers in private sector was only about 8,7% (Attachment 2). Despite on that, the competition between educational centers is high, competing essentially on the service quality which includes level of professionalism of the teachers, excellence of the equipment, children's achievement and overall environment. A new market dynamics is when informal education for children is based on the following priority guidelines: free of choice on the activities children want to enroll; focusing on personal interests, needs, abilities of the child; the possibility of self-determination and self-child; unity of training, education, development; and practice -activity basis of the educational process.

In Russia nowadays there are 2 types of informal education: specialized centers, where children can deeply study only one area (for example Sport schools where children have professional sport classes after mandatory school; usually these schools prepare professional sportsmen's) and educational centers are diversity institutions which combine several types of centers as musical school, art school, swimming school and etc.

Informal education of children is essentially a practice- oriented. It is largely carried out by experts; professionals, "masters of their craft", who ensure versatility and attractiveness, uniqueness, and ultimately performance. In an informal education of children - a "zone of proximal development"³ of the child - he chooses himself or with the help of an adult in accordance with their wishes and needs. The flexibility of additional education as an open social

³ The zone of proximal development, is the difference between what a learner can do without help and what he or she can do with help. It is a concept introduced yet not fully developed by Soviet psychologist Lev Vygotsky. Vygotsky and some educators believe education's role is to give children experiences that were within their zones of proximal development, thereby encouraging and advancing their individual learning. Berk, L & Winsler, A. (1995). "Vygotsky: His life and works" and "Vygotsky's approach to development". In Scaffolding children's learning: Vygotsky and early childhood learning. Natl. Assoc for Educ. Of Young Children. p. 24

system can provide the conditions for the development of leadership, development of social creativity, and the development of social competencies.

According to a research by the international education company Helen Doron, no more than 20 % of children in St. Petersburg and Moscow, preschool and school age receive “additional education”, complementarily to studying in kindergartens and schools. And it is not in the capacity of parents and children to cover the lack of appropriate demand offerings on the market of educational services. Helen Doron estimated unmet demand is at least 30 % of the total number of children in this age range, which means there is room to improve.⁹

Key challenges to ensure that the parents found their children courses, according to the study, are quite different: in the first place is the lack of brands and training programs that are credible and well-known among parents; in the second place is geographic location; in the third is the lack of interest in the child already attending one or another group lessons; but most importantly is the fourth: the expensive cost of training.

Company

“The Unknown Islands”, was founded in the autumn of 2000, as a government funded educational institution for “out of school” activities. In the beginning, there was 2 musical classes with 150 students and nowadays it has 90 educational classes with more than 3000 students. In 2008 “The Unknown Island” was awarded the top status and today they are the major diversified public institution in the after school education system. Educational Centre "The Unknown Islands" provides kids and teenagers living in the North Western district of Moscow with the opportunities to develop their creative potential. Nowadays, “The Unknown Islands” comprises four Educational Centers in Moscow - the largest Island is “Angelov Ostrov” situated in Mitino, “Ostrov Svobodi” and “Ostrov Geroev” are both situated in Northern Tushino, and in

September of 2013 was opened a new center – “Ostrov Mechty”. Also “The Unknown Islands” includes “Ostrov Dobtikh Del” – a charity project of center.

Today, “The Unknown Islands” can offer eleven different types of teaching and educational activities amongst which are: Science and Culture, Artistic Education, Engineering Research, Information Technology, English Language Center, Ecology, Physical Culture and Sports. Children and Trainers work in Educational Center closely together, not only in warm classrooms or studios, but also in expeditions. “The Unknown Islands” has camps, walking tours, excursions and meetings both in Russia and abroad. Each summer they offer various summer camp, for example programs in Bulgaria and in Portugal.

This Educational Center is opened for children from 18 months till 18 years. Nowadays, in “The Unknown Islands” study more than 3000 students and 200 of employees which help children to discover themselves. All teachers, who work in centers, are professionally skilled people who love their subjects as much as teaching and sharing their knowledge in a friendly atmosphere.

“The Unknown Islands” is famous by the understandings customers’ needs, innovation and market dynamics. This company, which is present already 13 years on the market, due the many years of experience is now become more sensitive to feel customers’ needs and prognoses a new tendency on this market. Usually “The Unknown Islands” introduces new innovative systems before others, not only in education area but also in technical supporting area. As an example, this company was one of the first to launch a special system of cleaning of swimming pools, energy saving system for all centers, among many others.

Consumers' analytics

Consumers of “The Unknown Islands” are parents of children from 18 months till 13 years. The other group is children from 14 till 18 years. Both these groups of people live in the North-Western Administrative Okrug of Moscow.

In this research, I studied with support of “The Unknown Islands”, the reasons why people leave their children in education centers and I concluded the following: the first of all reasons is to open and develop talents of children (48%); to improve health (16%); to get new skills and knowledge out of classical education institution (9%); and to increase cultural level and diversity of children (8%). Also in this survey we identified the reasons why consumers choose “The Unknown Islands”. The first of all its high level of education (29%), second is location close to home (28%), third is because of advices of friends, and because they know someone who studied there(Attachment 4).⁴ In this survey I separated all students from “The Unknown Islands” on three groups based on factor of what consumers want to achieve with “The Unknown Islands”.

First, there are children which parents decide leave them in center, representing children from 18 months till 7 years. For their parents, it is very important to involve their child in a creative atmosphere, socialize, develop primary skills of the child and prepare to school.

Second, students from 8-18 years go to Educational Center because they want to use knowledge and networks which they are given there as a start for professional way, where they want to grow up and improve their skills. They already know what they want and for them the center is the way to success.

⁴ In this survey participated 494 people, all of them are parents of children or students, which visit or visited classes in “The Unknown Islands”, participation in this survey was anonymous. Survey was providing with support of the website “The Unknown Islands”.

Third group is children that want to try something new or find themselves and their talent. They easily switch one course to other, and it is very important to find the way to interest them. Usually, they are students who want to spent their free time with benefits and live near the centers.

Because all professors have programs with different levels for different children ages groups, children tend to continue their education in the center after first year.

Collaborations and Partnerships

Given the specificity of this company, over several years there was been a collaboration of “The Unknown Islands” with shopping centers, as shopping Center “Kube”, shopping center “Mitino”, and the group of children shops “Daughters and Sons”. These companies are sponsoring events of “The Unknown Islands” and provide prizes for competitions.

Competitors

Because differentiation, namely, quality of the service and innovation, play an important part in this market, to be successful, a company must provide greater value to customers and satisfaction than competitors do. Each firm should consider its own size and industry position compared to those of its competitors.¹⁰

The market in which “The Unknown Island” is operating can be described as “additional education” for children. One of core points of differentiation of “The Unknown Islands” is its approach to different ages and different directions of activities from art to biology, from sport classes to learn different languages, and due to that “The Unknown Islands” has competitors in different categories. The two main criteria for defining competitors are location and the focus on “additional education” for children. “The Unknown Islands” compare with companies in different categories.

The first area in which “The Unknown Island” (Attachment 5) competes with group of centers is private preschool education. In this area the company competes with two centers: children's development center “Azbuka” and children’s club “Family”. Both centers, as “The Unknown Islands” have different classes for children as music, sport and art, but they are private and only for children from 1 year to 6.

Other type of competitors is public educational centers, which represents specialized schools, which have educational classes only on one direction and educational centers with different activities. In first category, “The Unknown Islands” compare with Stravinsky state school of arts and Sport school of Olympic reserve № 46, given that they are targeting to children. However, there is an important difference, given that these schools aim to establish contracts with universities to guide and support the best students. On the other side, these schools have only one direction which may obstruct the development of the child's talent.

The second group of competitors in this category is Cultural Center “Mitino and the Educational Center “Strogino”. All this centers as “The Unknown Island” are non-profit organizations, but also they have a different direction because they don’t innovative and are not dynamic, and due to that fact they lost some customers that needed new and interesting classes with a modern system of education.

Currently, “The Unknown Islands” is the market leader. At the same time, it is necessary for them to pay attention to changes and innovations of their competitors. This is important to stay on the leader position and to better understand the trends in this market.

SWOT and TOWS analysis

Strengths:

- Unique methodologies of education;
- Dynamic company which change with customers needs;

- Modern technical equipment and design;
- The name of the center is associated with the professionalism and quality of service;
- High level of professionalism of teachers;
- Good location of centers (near schools, park area);
- Effectiveness of participation of students and employees at different levels.

Weaknesses:

- Lack of adaptation programs for new employees;
- Not enough space and classes impossible accept all students;
- Lack of Communication: Parents leave their children at the center not necessarily because they see prospects for professional development of their children.

Opportunities:

- Increasing the number of potential customers through the introduction of new classes;
- Increasing of brand awareness;
- Involving parents to education of children, as example create activities for children and their parents;
- Increasing of number of centers by providing new facilities from government;
- New government policies directed at financing of education centers.

Threats:

- New competitors on the market (new entrants);
- Possible changes in demographic situation;
- Not sustainable law which can influence on educational system;

- Low social status of the profession of teacher in society, due to that a lot talented teachers move from education area to others;
- Economical crisis can depend that parents will reduction of children's additional education.

To define new marketing strategy of “The Unknown Islands” I use TOWS analysis. TOWS analysis is an algorithm of the strategic analysis process, involving systematic and comprehensive assessment of external and internal factors that determine current condition and growth potential of the company¹¹.

S-O strategy for “The Unknown Islands” is how to pursue the opportunities that fit well the company strengths. In S-O strategy I will focus on increasing of brand awareness and brand image of “The Unknown Islands” to show customers and government that this center have a high quality of education, new methodology of education and good achievement of student and teachers to increase a number of students and to increase a numbers of centers of “The Unknown Islands” by providing new facilities from government.

W-O strategy is how to overcome weaknesses to pursue the opportunities. In W-O strategy I'll minimize lack of communication of parents with “The Unknown Islands” by active work in social networks and building strong and sustainable brand image of “The Unknown Islands”. In result number of student will increase and center will receive new facilities from government.

S-T strategy is how to identify ways that the firm can use its strengths to reduce its vulnerability to external threats. Because of threats of new competitors on this market in this case necessary create a strong image of “The Unknown Islands” and increase a brand awareness to make a position of this center on the market more sustainable.

T-W strategy is making a defensive plan to prevent “The Unknown Islands” weaknesses from making it sustainable to external threats. In this strategy is decrease lack of communication with parents and create a strong professional and respectable image of “The Unknown Islands” to protect company against new competitors.

Marketing strategy

Mission

The main purpose of the center is preparing children to adult life with big variety of competitive advantages and also to provide healthy and interesting members for society. System of Educational center designed to develop and coordinate innate abilities of children. With the development of diagnostics and control, “The Unknown Islands” identifies the ability of each child; provide a complete platform for their implementation and to identify the main lever for its future success. The name of the center is also reflected in the mission. “The Unknown Islands” is named like this because each child is living a wonderful world, which is necessarily to be opened and discovered. To help children to open these world intelligent teachers whose know how is to discover children talent that is still hidden deep inside, play a key role.

“The Unknown Islands” is recognized by people who had a lot of different activities in their childhood are broad-minded, because of their participation in competitive environments; they become more purposeful and precise, because of this Educational Center integrates a set of key sport activities for all children who attend their classes, which in turn make them healthier and stronger, while stimulate diversity in result of the variety of children with different ages and interests, which influence students to be more sociable and easy to communicate with others.

Objectives

The purpose of this marketing action plan is to build a strong competitive brand “The Unknown Islands”. For this objective I am going to work on brand awareness and brand image

of “The Unknown Islands”. To increase a brand awareness action plan will include digital strategy main idea which is to be present in social networks for active communication with customers and creating a platform for dialogue, exchanging innovative ideas and proposals between the parents. Also to increase brand awareness this plan will include a launching of new class with final result to launch a book for charity project of “The Unknown Islands”.

Other part of my strategy is creating a unique and strong brand image of “The Unknown Islands”. The image building will start with changing the design of accommodations, including building infrastructures and layout at “The Unknown Islands”. Second step is creating of mythical character and initiation students to pirates. And last step is creating a book of alumni of “The Unknown Islands” for creating respectable and professional image.

Segmentation and targeting

The process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics. Its objective is to design a marketing mix that precisely matches the expectations of customers in the targeted segment.¹²

For segmentation of this market was chosen usage rate of the classes of additional education. Inside of this market five groups: first are people whom never visit and don't know about opportunity to visit classes; second are people who visit classes once and they didn't like it; third are people who visit just one class; forth are people who visit different classes; and last one are people who visit center of additional education few years and like it (last two groups are loyal).

I will focus on people who visit class and didn't like it and second group is people who visit just one group. To make this people in the loyalty loop and advocate additional education in

particular “The Unknown Islands”. To clear understand who are this people we will use social demographic criteria.

The first parents of all children from 18 month till 13 years old, because usually the decision of going to additional educational center is making by their parents, so we will focus more to attract their parents and after on a children experience. They need to find an educational center with diverse range of programs with high quality of education, they are really careful choose additional education, because they think that wrong influence can damage their children. For this segment necessary to show that “The Unknown Islands” have a strong image and individual approach, to involve them to loyalty loop and advocate a brand, in this can they will attract a new consumers and also will continue education in this center till 18 years.

Second group are children from 14 till 18 years, they make their own decision to study in education center. This group interested in to be a part of community, know that “The Unknown Islands” give them a high quality of education and to develop their creativity part. For them I launch pirate’s theme, also I’ll create a new class of writing a book that they can realize themselves and develop a digital channel to communicate with them. For “The Unknown Islands” is very important that they achieve high professional and personal goals, because the alumni is a part of brand image of the company.

Other criteria are their geographical location these two groups of people should live in the North-Western Administrative Okrug of Moscow., because of the location of centers of “The Unknown Islands”. Because location one the most important criteria of both this targets.

Positioning

Positioning of brand is mean using marketing to create a competitively distinctive position for brand in the mind of targeting consumers.¹³ In first, it needs to understand the point of parity of this market.

The frame of reference of “Unknown Island” with competitors is given knowledge to children which is not included in school programs, as music classes; sport activities; science classes which supplement school program and other added value activities.

For this point “ The Unknown Islands” regularly add in their portfolio different classes for attract new “learning consumers” and be more attractive on the market, for example in September 2013 this educational firm launched new classes as Japanese language courses, swimming classes for family.

Other point of parity on this market is security and safety of children – in “The Unknown Island” new security system which include surveillance system, also each person who visit center have personal card which register when someone come and leave place, and new innovation of center is “Video Schedule”,¹⁴ this means that from November 2013 each parents can see how their child work in class and how teachers communicate with children.

The final component of the positioning of brand is the point of differentiation. Point of differentiation for “The Unknown Islands” will be unique personalizing communication with children. Here teachers and administration of center create comfortable and friendly atmosphere for children to involve them in creative process and also get them interested there is no system in the world or any school in the country that is better than its teachers.

Other point of different is good reputation of “The Unknown Islands”, because of they are thirteen years on this market. It is allowed them to launch competitions. Since 2007 year they launched competition as “Karapuz” – this is district festival of children's creativity and from 2005 “Jazz Kaleidoscope” – this is festival-competition of modern and jazz music in Moscow for children. And also influence on the market.

“The Unknown Islands” understand that competition is not enough for children and it is important to show the kids “why this knowledge is important for them”, how to apply knowledge

in practice, because of that they launched new points of differentiation to their program, for example children who study in science club have projects which involve in their life and environment. Hence, in this classes children understand how to use science experiments and make life's easier use of them; also in children club "Gadkiy Utenok", where children learn how to survive in the wildlife, after one year program all students with teacher go to camping in mountain where they use knowledge,¹⁵ for children who study in the creative classes in summer have a children camp in Bulgaria where children always have different project, for example last year they made a movie, where children wrote arguments, developed scenarios, and did the acting and movie directing , etc.

"The Unknown Islands", one of the first company in educational system in Russia, also started to be social responsible. They change system of clinging of pool, energy saving system use innovative ways to solve these problems (Attachment 6-9). New system of energy save money, thermal energy, electricity, water resources and others types of energy. Also part of their social activities is a charity project "Ostrov Dobrikh Del" which helps children from orphanage to realize their dreams.¹⁶

Marketing Mix

Product

Product – is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. Services are products that consist of activities, benefits or satisfaction which are offered for sale being essentially intangible and not resulting in the ownership of anything.¹⁷

The product "The Unknown Island" consists of educational classes for children and there are eleven different types of teaching and educational activities such as: Science and Culture, Artistic Education, Engineering Research, Information Technology, English Language Center,

Ecology, Physical Culture and Sports. Nowadays, “The Unknown Island” has more than 90 educational classes in four centers including a summer camp in Bulgaria and camping. These classes include different subjects such as languages, singing, journalist, drawing, intellectual development, music, sports, dancing , theater, tourism, biology and chemical classes.

Every year the portfolio of classes lectured has been increasing, because “The Unknown Islands” has a system of regular survey with students and their parents – the questions asked in the survey are “what they want” and “what they want to change in this center”. Results of these surveys affect the launch and /or change of new classes and directions.

Price

The “The Unknown Island” is a non-profit organization and classes are for free. Therefore, the main funding sources of “The Unknown Islands” are government support through subsidies. Also, the government supports non-profit orgs directly by allowing "The Unknown Islands" to deduct gifts to qualified non profit from income tax liabilities. Government audits take place once a year and check how centers spend money from government.

Other resource is charity that is a major component of nonprofit fund raising. Individual charity is also strongly associated with personal income and while individuals at the all income levels donate, high income donors give a disproportional share of the total gifts. Nonetheless, donation amounts depend on the performance of “The Unknown Islands”. Once a year a Supervisory Board is formed by volunteer parents, whose children study in “The Unknown Islands”¹⁸. This people control and decide how money should be spent. They are also organizing a meeting with parents. In these meetings, parents can suggest ideas for “The Unknown Islands” and this Supervisory Board should consider their proposals. In the end of each financial year, the center publishes on its website results which show how this money was spent.¹⁹

Place

Nowadays “Unknown Island” is based in four Educational Centers in the North Western district of Moscow - the largest Island being “The Island of Angels” which is situated in Mitino and opened in 2000, “The Island of Freedom” and “The Island of Heroes” are both situated in Northern Tushino and, in September of 2013, anew center was open – “The Island of Dreams”. More than 3000 children visit “The Unknown Islands” centers every year and some of the classes can’t receive all children who wanted to attend classes only because centers don’t have a classroom to accept all of them.

Because of the “baby boom” in 2011 the government understood the needs of centers for children and allocated money to build new buildings, is gradually returning all the premises previously used for other purposes. This is can be a good opportunity for “The Unknown Island” to grow and open new centers for children. As we can see, this is tendency for growing and perspectives not only for these educational centers, but for all this market.

Promotion

The other element of the marketing mix has great potential to build brand equity, as it is the element that speaks with consumers and most directly transmits the identity of the brand. It has the role of sending a message to the final consumer that will meet communication objectives. Integrated marketing communications will be sought so content and delivery of all communications through the different vehicles will be coordinated to ensure consistency and to support the positioning and direction of the brand.²⁰

Nowadays all advertisement of “The Unknown Islands” is outdoor ads. The advertisement of the “The Unknown Islands” only stands near centers with information about classes. This is not enough for increasing brand awareness of these centers so it is necessary to implement the next steps (Attachment 10).

Corporate identity refers to how the company presents itself visually – through its name, logo, signage, annual reports, stationery, uniforms, vehicles, packaging, and other visible symbols.²¹ Corporate identity should be a planned process. Conceptually, it is the use of consistent visual stimuli to enhance the two universal communication effects: first, company awareness especially company recognition but also company recall with regards to the industry or category; second is company attitude via corporate image (Attachment 11).²²

“The Unknown Islands” already have a recognizable logo (Attachment 12), but for a more emotional connection with consumers it is necessary to create a mythical character, which people will associate to this educational center. Because of specifics of history, name, logo and playground as a pirate ship, the best personage for “The Unknown Islands” will be a small pirate, which discovered new islands; love adventures and always try something new. It will create an emotional connection with the center and at the same time it will be a point of difference of the center.

Other step will be changing a design of the center. Children should feel comfortable in center and want to return to the center every time. Therefore, the design of the center should motivate children to be discoverers, to be pirates. Class should be for them adventures for 45 minutes. In the same conception center should look like a pirate boat with furniture and small details, which should make the atmosphere of “The Unknown Islands”.

The third step of the promotion strategy will be to launch a new class named “How to write a book”, where children will learn how to write a book, because writing is a way to use imagination. The final project of this class will be to write an essay on theme “Modern Heroes” – and in result, the best essay, will be chosen for book. Illustrators of this book will be also children who study in this center – in this case all children who want to do this project can be involved in. After publishing, this book should be sold online and sales revenues directed to the

center for a charity project named “Ostrov Dobrikh Del”. This will increase awareness of the brand “The Unknown Islands” and also make a positive image of center; status of “The Unknown Islands” will be more professional in consumers mind, than was before.

One of the most important parts of all companies, especially social companies, is culture. Culture can seem like a nebulous and amorphous concept, but it rises out of the behaviors which are encouraged or discouraged by the organization’s concrete structure, processes, system of rewards, management style, and leadership. When addressing the culture is integrated into a new brand initiative planning, then that brand has a better chance of thriving inside the organization so that it can live outside the organization, building the relationship with customers it was designed to build²³. With changing of design, creating a mythical personage of this centers and launching a new class with a big project, the next step will be to create a new and unique company culture. Existing rules of conduct will be replaced by the pirate code; also all students whom spend in “The Unknown Islands” more than three years will be initiated into pirates. It will be an official ceremony which will be held once a year within the reporting concert.

In some respect, digital media has set higher standards, in effect repositioning the industry perspective of established media, because digital media enables consumer response measurement. Tracking and optimization tools for online media provide granular and near real-time response to creative material, which allows not just a higher degree of accountability but more sophistication in influencing buyer behavior. Digital media also provides a level of interactivity that by its very nature enables a more personalized experience. Users are able to get information how and when they want it. The internet has become the information medium of choice and a significant factor in influencing purchase decisions.²⁴

The number of social media sites is exploding, and usage is up in almost every dimension – as good reason as any for marketers to take note. Nowadays Russia is in the 3th place in the

world in what concerns the time people spend in social networks. In a new research by Ernst & Young - Russia is a largest online population in Europe – 73.8 million users and biggest mobile phone market in Europe 230 million phones²⁵.

The presence of “The Unknown Islands” in social networks as facebook, vkontakte (Russian version of facebook), twitter and foursquare is very important for brand identity of this centers (Attachment 13-15). The first reason why “The Unknown Islands” is that it informs customers about new classes and about the achievement of children, teachers and centers. The second reason is that social networks provide a rich data mine of people’s current interests and using this information the center can better understand consumers need and launch new activities and classes for children. Also, “like” pages allow users to tell their friends of their support for “The Unknown Islands”. Social media sites are portable and can be accessed from a smartphone, enabling marketers to connect 24/7 and also serve up messages based on the viewer’s location. But most important is to create a platform for dialogue, exchange of ideas and proposals between the parents and “The Unknown Islands” thereby understanding in which direction to move the center, its problems, and make them feel part of the community.

Brand identity is on the sender’s side, while brand image refers to the way in which people decode all the signs emanating from the products, services and communication covered by the brand, brand identity specifies the brand’s meaning, aim and self-image.²⁶

People

People of “The Unknown Islands” are one of their competitive advantages. People include teachers, service staff, children, whom visit classes and also alumni of this center. For “The Unknown Islands” was always very important that people who work there love children, be patient and careful. Most of them have government awards as, for example, “best teacher of the

year”. For people, who interested in that “The Unknown Islands” have book of teachers with all their achievements²⁷.

Nowadays the technological progress is incredibly fast and teachers have to improve their skills as fast as progress moving or even faster because they take part in it. Besides, one of the marks of the teacher’s level is government classification. The professors have to pass through the attestation process to get the next level. Moreover, teachers are developing “additional education” copyrights for their “additional programs”, seeking to create conditions for the development of creative activity in children, while implementing their own professional and personal potential.

Physical evidence

Specificity of this type of educational centers is that they are subject to special requirements. All the classes meet government standards regarding size, equipment, quality of design and materials as well as temperature occupancy. Most of the classes are standardized to one type of activities and subject. For example, sport classes can’t be used even for dance activities due to type of flooring and mirrors. And here stands problem with classes’ allocation and occupancy. To solve it this year in one class was made a big investments to make it a multitask class. And there are classes with higher level complexity as karate, gymnastic classes, heath sport classes, Montessori class implying a large investment.

Also, in the territory of “Ostrov Angelov”, there are three playgrounds for children of different ages. One of them is the “visiting card” of “The Unknown Islands” (see pirate boat in Attachment 16). The second is specialized for children to study traffic code. And the third playground is for the smallest kids with a sandbox.

“The Unknown Islands” have special uniforms for students and teachers for competitions or events which are not in the territory of the centers. Because of “The Unknown Islands” have theater and concerts they have a tailor shop where they sew costumes for events.

Due the thirteen years history of the “The Unknown Islands” they launched competition as “Karapuz” and “Jazz Kaleidoscope”. For both competitions “The Unknown Islands” produced special awards and diplomas.

Process

One of the most important steps in the communication customer with “The Unknown Islands” is a first visiting of center. For people who never visit center once a month center organizes special meetings where parents can ask questions about all details and after there is an excursion where parents can see the environment of the “The Unknown Islands”.

A special system on the website of “The Unknown Islands” helps to choose a class for children. In this system it is just needed to choose a age and direction in which children are interested in and the system show all activities and classes for the search.

Way to entry to classes is one. Necessary create account on the two government portals <http://gosuslugi.ru> and <http://pgu.mos.ru/ru/> book a place in class. If class have free space for new student – he or she will immediately accept to class, if not administration of “The Unknown Islands” will communicate and introduce two ways: choose other class or wait when will be free space in this class. This system of distance booking of classes removes excess bureaucracy.

Final remarks, recommendations and implementation control

“The Unknown Islands” main competitive advantage is personalized approach to each child. Teachers are trying to find a unique way for each student to boost their talent. After the first lesson the teacher understands the level of knowledge of the subject by the student and can

recommend to the child courses. Since the first day in “The Unknown Islands” all people who work there try to make a life and study of child there interesting and comfortable. This is very important because for socialization of children and involve them in creative atmosphere.

The critical factor in this industry is human resources. Due profession of teacher unattractive in Russia, because of low salary this causes frequent changes of staff, as well as young and talented people usually move to other areas and average age of the teachers growing up. Education Center takes this into account and try to create a unique and friendly atmosphere in the center. For this needs was a launched system of bonuses, one of the new idea of center is joint trips abroad to maintain team spirit, the center will cover part of the trip in accordance with the numbers of years which teacher spend in this center.

Because of these factors and after TOWS analysis I decide to use S-O strategy in the beginning and W-O strategy in continuation. Both this strategy will be parts of new marketing plan of “The Unknown Islands” “Behind the pole start directly to your dream”.

This is the three years marketing plan direct to increase of brand awareness and change the brand image of “The Unknown Islands”. Results of this marketing strategy will be measured by several criteria as the added numbers of students of “The Unknown Islands”. Brand measure will be control every year by qualitative research making by survey questioner for customers of “The Unknown Islands”. Also it’s important to indicate implementation plan. Using it company will implement a marketing strategy and if it’s necessary would change it depend on the needs (Attachment17).

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Attachment

Attachment 1

Years	Numbers of educational centers	Numbers of students of educational centers (thousands)	The number of children per 100 places in pre-school educational institutions, people
1932	27,5	1,2 M	N/A
1940	29,9	1,3M	N/A
1950	30,2	1,2 M	N/A
1960	47,6	3037,7	113
1980	74,5	8149,1	109
1990	87,9	9009,5	108
1995	68,6	5583,6	83
2000	51,3	4263	81
2005	46,5	4530,4	95

2006	46,2	4713,2	99
2007	45,7	4906,3	105
2008	45,6	5105,4	105
2009	45,3	5228,2	106
2010	45,1	5388	107
2011	44,9	5661,1	106
2012	44,3	5982,9	105

Source: official statistic of education department of Moscow <http://dtdim.dop.mskobr.ru/>

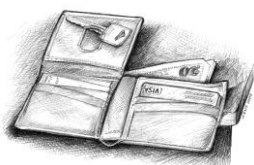
Attachment 2

Form of ownership	%
Government	25,3
Municipal	66
Private	8,7

Source: official statistic of education department of Moscow <http://dtdim.dop.mskobr.ru/>

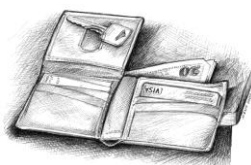
Attachment 3

Financial Provision



1 430 euro

2010 year



2 794 euro

2011 year

*for child in one year

Source: official statistic of education department of Moscow <http://dtdim.dop.mskobr.ru/>

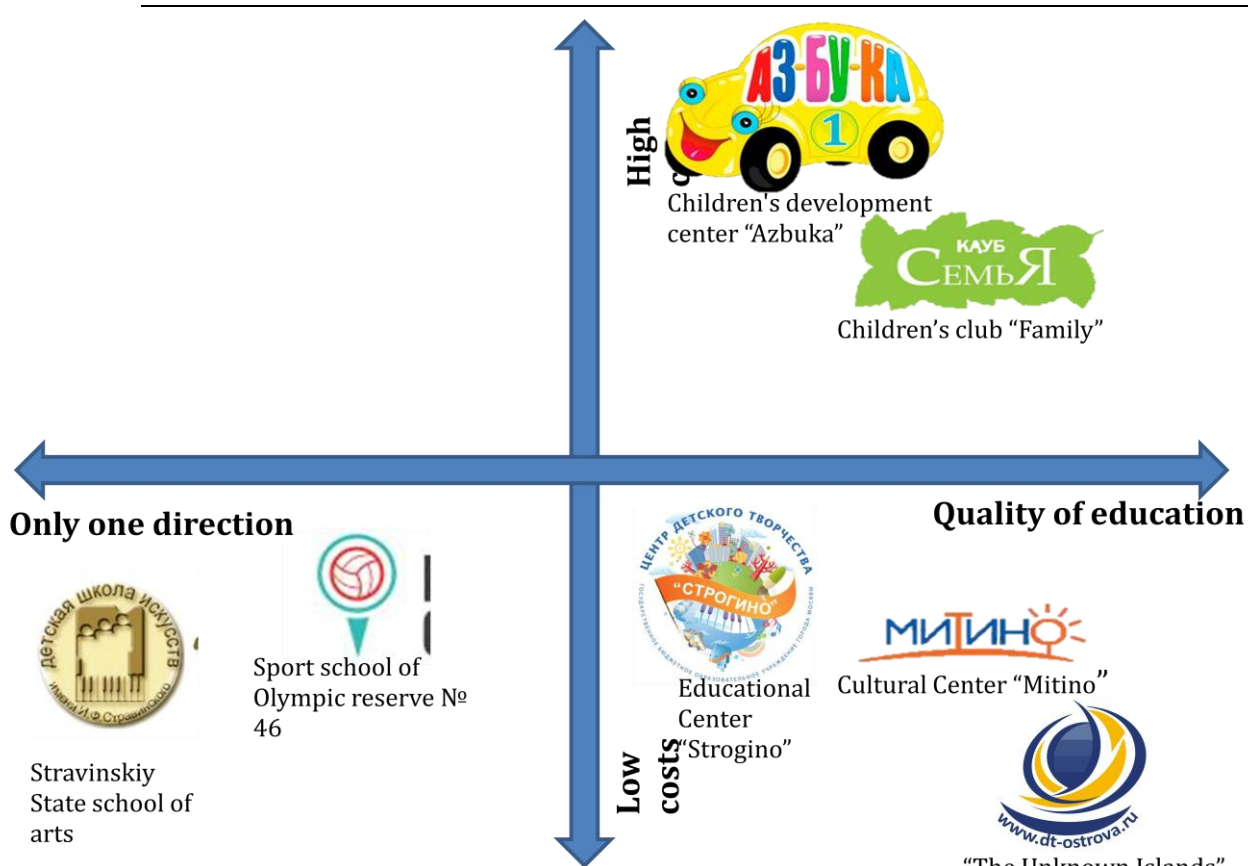
Attachment 4

Survey

1. How long your children study in “The Unknown Island”?
 - Less that 1 year 104
 - 1 – 2 yrs; 126
 - 2-3; 87
 - 3-4; 59
 - 4-5; 42
 - 5-6; 23
 - 6-7; 13
 - More than 7 years; 28
2. How many children in group which visit your child?
 - 1 to 5 people: 72
 - 5-10 people: 123
 - 10-15: 186
 - 15-20: 57
 - 20 people or more: 37
3. What is the main reason that you choose “The Unknown Island”?
 - Convenience of the location, the proximity to the residence: 243
 - In “The Unknown Island” study child's friends: 56
 - Friendly teachers: 212

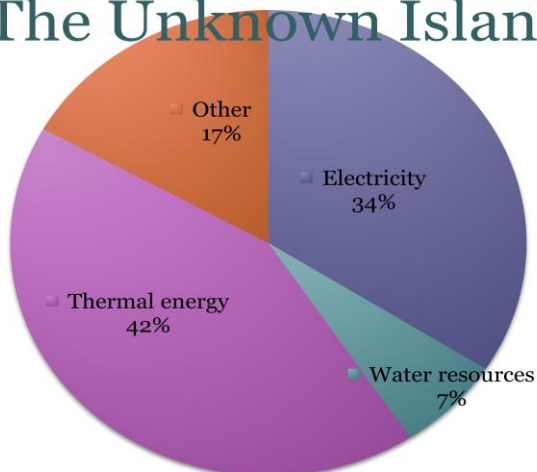
-
- High levels of education; 252
 - On the recommendation of relatives, friends and acquaintances: 108
 - Other (to write): 11
4. How did you know about “The Unknown Island”?
- In internet, newspaper, radio; 63
 - On the advertising; 48
 - On the advice of relatives, friends and acquaintances; 304
 - Other (write); 3
5. If you plan to transfer the child to another center or group of why (note the 2-3 main reasons)?
- Because of the convenience of the location: 43
 - Because of the best material and technical conditions: 31
 - Classes are more suitable for the development of the child: 47
 - Closer to home / school: 67
 - In another institution engaged in child's friends: 13
 - Better teachers: 34
 - Less than the cost of classes: 28
 - Other (write): 34
6. For what purpose your child attends a group? (please tick the most appropriate option 2-3)
- To gain additional knowledge in school subjects: 24
 - To gain additional knowledge outside of school subjects: 44
 - To be better prepared for school: 32
 - To raise the level of culture: 38

-
- To take time: 8
 - To expand his abilities and talents: 228
 - To chat with your friends: 12
 - To improve health, develop physical strength: 75
 - Other (specify): 11
7. Do you participate with your children in activities conducted by the institution?
- Yes, regularly; 226
 - Sometimes, very rare; 201
 - No 42



Attachment 6

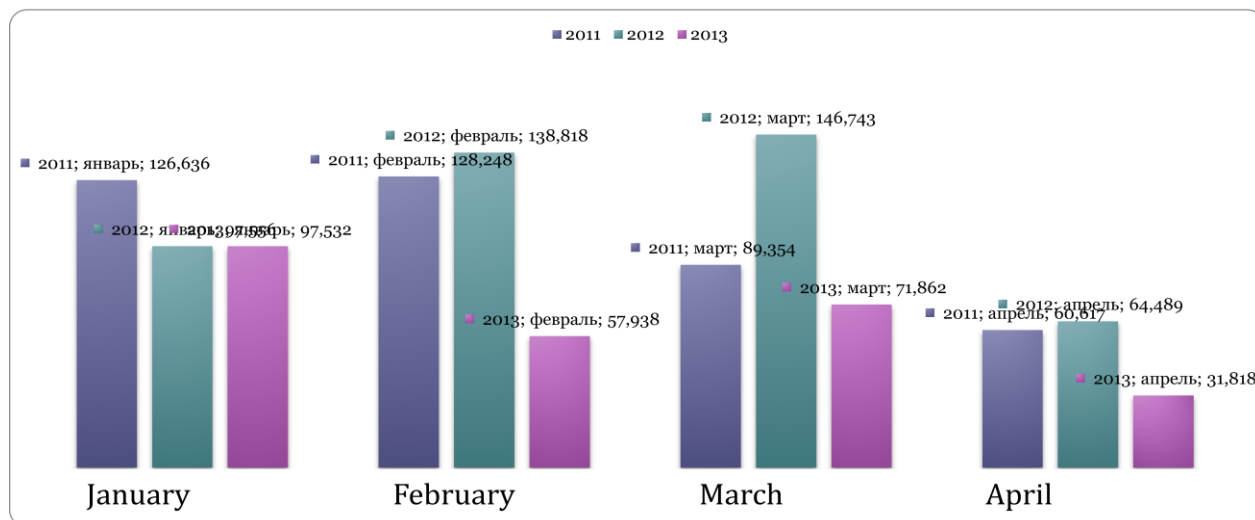
Percentage in the budget of "The Unknown Islands"



Source: company's data

Attachment 7

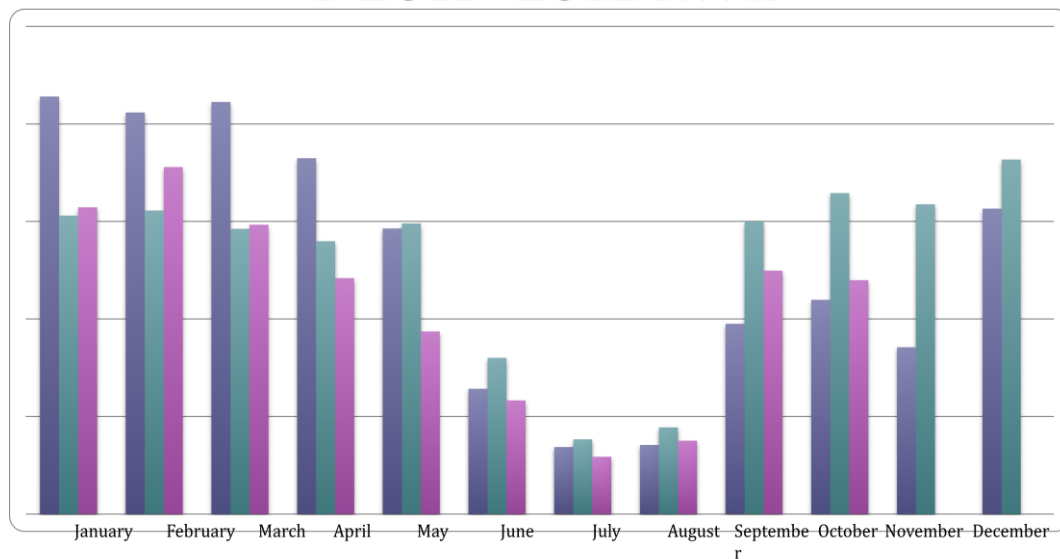
Thermal energy consumption in 2011-12-13 cal_{th}



Source: company's data

Attachment 8

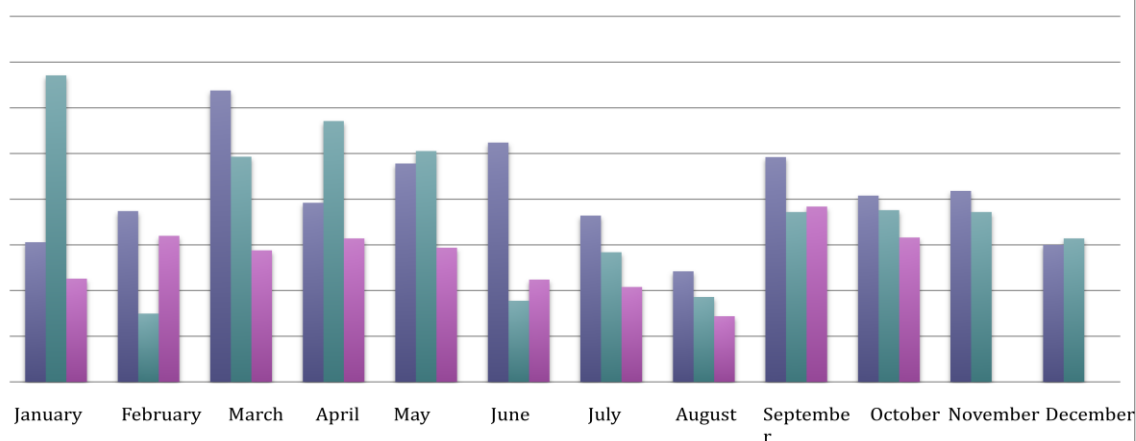
Consumption of electricity в 2011 -2012 kWh



Attachment 9

Consumption of water resources

B 2011 -2012



Source: company's data

Attachment 10

Attention adjustment (contribution to MEF) for outdoor and poster ads	
Adjustment Factor	Index
Size of ad	
Stand alone (all sizes)	2.5
Adjacent to other ads (standard)	1.0
Color of ad (not worth adjusting for)	

4-color (standart)	1.0
2-color	1.0
Black and white	1.0

Attachment 11

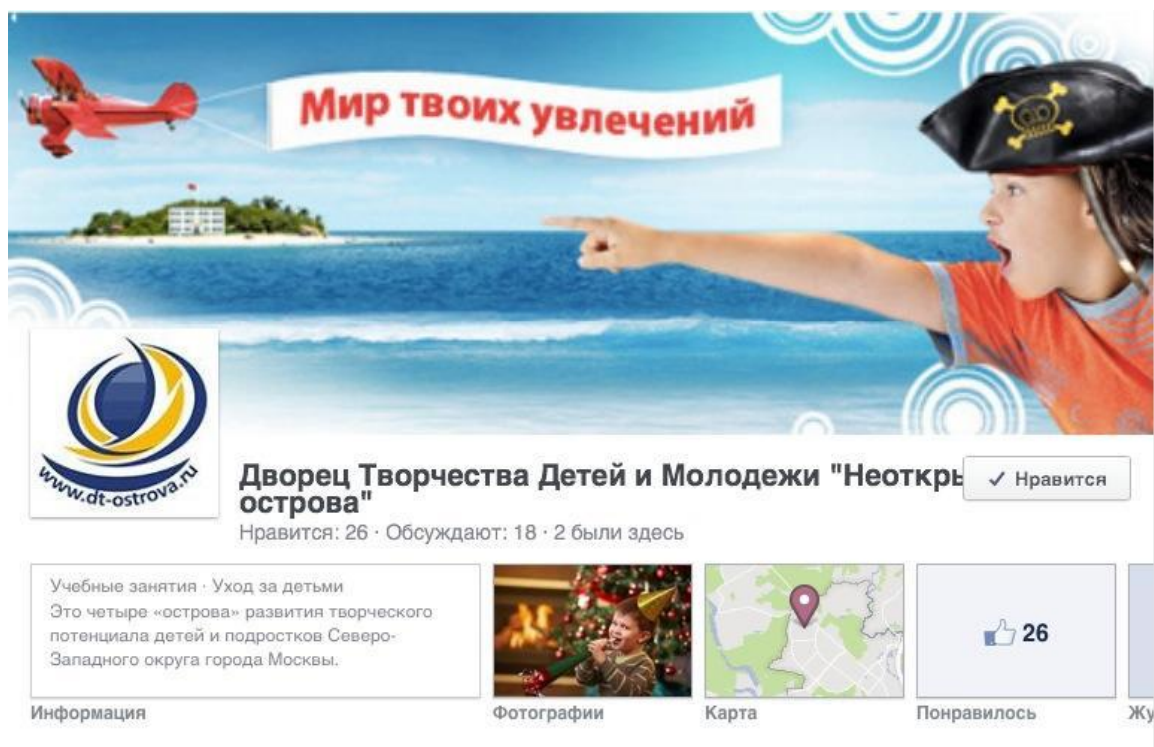
Brand Identity



Attachment 12



Attachment 13



Attachment 14

Официальная страница-Дворец "Неоткрытые острова"

Мир твоих увлечений!

описание

RU. Наш Дворец был создан осенью 2000 года и назывался Центр внешкольной работы. В 2008 году мы получили статус Дворца. У нас крупное многопрофильное государственное учреждение в системе дополнительного образования. В наших студиях, художественных и технических мастерских, спортивных секциях, творческих коллективах, группах развития, кружках для детей и родителей занимается более 3000 человек. Ребятам от 8 месяцев до 18 лет Дворец дает возможность творческого развития и учебно-исследовательской деятельности в области науки и культуры, технического, художественного творчества, информационных технологий, экологии, физической культуры и спорта. Сегодня в нашем Дворце - всего 11 направлений учебно-воспитательной деятельности. Общение детей и педагогов, их совместная работа происходит не только в учебных аудиториях, но и в экспедициях, в профильных лагерях, в туристских походах, экскурсиях и слетах на территории России и за рубежом. Летом у нас проходят профильные смены в Болгарии на берегу моря. А сколько радости, ярких эмоций, веселья детям и их родителям дарят наши традиционные праздники, которые происходят во Дворце! Это и День знаний, и Новый год, и Масленица и многие другие. В «Неоткрытых островах» работают первоклассные специалисты, с любовью занимающиеся своим делом, и царит неповторимая атмосфера тепла, абсолютного внимания к детям и доброжелательности. Без преувеличения можно сказать, что сегодня каждый ребенок и подросток найдет у нас что-то увлекательное для себя. Дворец работает ежедневно с 9.00 до 22.00 (занятия проходят с 9.00 до 20.00) с сентября по июнь. EN. We were founded in the autumn of 2000 as



Вы подписаны на новости

Документы

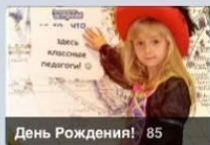
Подписчики 85



Обсуждения 1

Ваши отзывы и...
13 нояб в 14:11

Фотоальбомы 1



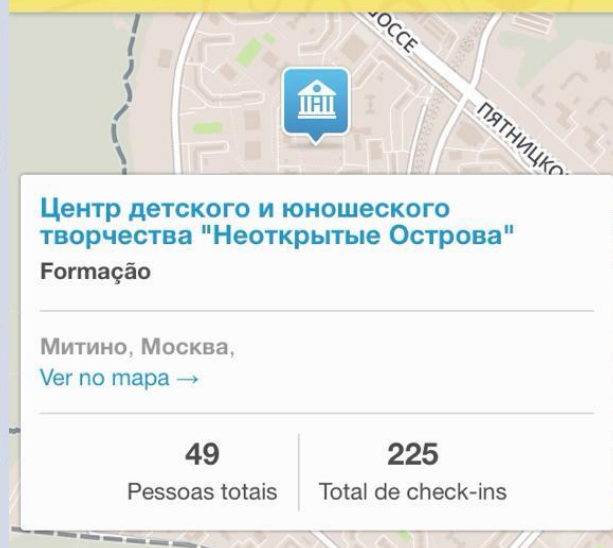
Ссылки 4



foursquare

aquilo que esta desejando no momento e recebe ofertas e dicas ao longo do caminho.

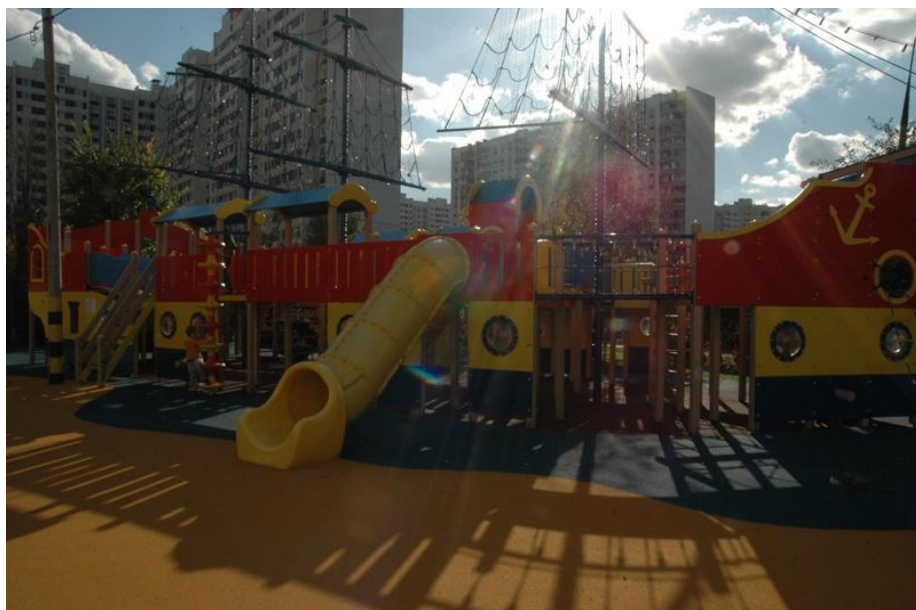
OPEN IN THE APP



Attachment 15



Attachment 16



Attachment 17

2014											
Jan.	Feb.	March	April	May	June	July	Aug	Sept.	Oct.	Nov.	Dec.
Creating of mythical personage “The Unknown Island ” and start to work under writing “pirate code”					Changing a design in “The Unknown Islands” in “Angelov Ostrov”			Launching of new class “How to write a book”		Survey which measure the brand of “The Unknown Islands” and quantitative research	

2015											
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
				Final concert of “The Unknown Islands” , initiation children into pirates	Changing a design in “The Unknown Islands” in “Ostrov Geroev” and “Ostrov Svobody”			Till the 1 st of September should be ready “The pirate code” and	Survey which measure the brand of “The Unknown Islands” and quantitative research		

2016											
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Publishing of book “The Modern Heroes”				Final concert of “The Unknown Islands” , initiation children into pirates and selling the book “The Modern Heroes”	Changing a design in “The Unknown Islands” in “Ostrov Mechty”			Money which was received by selling this book going to be spend for new project “Ostrov Dobrikh Del”	Survey which measure the brand of “The Unknown Islands” and quantitative research		